

Filed for intro on 11/09/99  
SENATE BILL 8022 By  
McNally

HOUSE BILL 23 of the Second Extraordinary Session  
By Walley

AN ACT to amend Tennessee Code Annotated, Title 56, regarding  
an administrator tax.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. The General Assembly hereby declares that, as a matter of public policy, it is a taxable privilege in this state to engage in the business of an administrator of health insurance claims, as defined in Tennessee Code Annotated 56-6-401; to be regulated as an insurance company, medical services plan, hospital services corporation, hospital and medical services corporation, health maintenance organization or similar entity subject to the review of the department of commerce and insurance pursuant to Tennessee Code Annotated Title 56 and not be at risk for the medical expenses of covered individuals; or to be an employer that adjudicates the health insurance claims of its employees.

SECTION 2. (a) All administrators and other entities listed in Section 1 doing business in this state shall be subject to a tax equal to fifteen dollars per covered individual. The tax shall be based on the October enrollment for any year. The taxes for a calendar year shall be due and payable to the department of revenue on March 1 of the succeeding calendar year.

(b) The administrator tax shall not be due and payable during any period when the state's TennCare program is no longer in operation.

SECTION 3. The Department of Revenue is authorized to promulgate rules and regulations to effectuate the purposes of this act. All such rules and regulations shall be

promulgated in accordance with the provisions of Tennessee Code Annotated, Title 4, Chapter 5.

SECTION 4. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 5. This act shall take effect on January 1, 2000, the public welfare requiring it.